

Trade Notes...

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Chile, EU Sign Free Trade Agreement

Chile has signed a Free Trade Agreement with the European Union (EU) that will go into effect Jan. 1, 2003. Most agricultural products of interest to Chile will gain access to the EU market through generous quotas within four to eight years. Some commodities such as apples and table grapes gain immediate improved access through increased quotas. Other commodities such as beef will gain first-time entry through generous quotas.

New U.S. Dairy Plants Cleared To Export to Brazil

In April, after a three-year hiatus, Brazil resumed registration of additional U.S. dairy processing plants for export to Brazil. The first of these newly registered plants will export whey mixes and food preparations. Under the new procedures, all U.S. dairy plants approved by the Food and Drug Administration (FDA) and USDA's Agricultural Marketing Service (AMS) are eligible for registration to export to Brazil. For the last three years, only plants previously approved by the Brazilian Meat and Dairy Inspection Service have been allowed to export. New plants were not approved due to Brazilian concerns about U.S. dairy inspection, certification and product labeling procedures. The new procedures are the result of prolonged work by FAS, AMS, FDA and the U.S. Dairy Export Council. The U.S. trade impact of this agreement is estimated at an additional \$3-5 million annually in U.S. sales.

U.S. Soybean Sales to Canada Rise

Demand for U.S. soybeans in 2001/02 has increased thanks to Canada's reduced soybean and rapeseed production this past season. As of April, U.S. export sales totaling 460,000 tons had already been shipped with an additional 58,000 in sales to be shipped at a later date. This is up nearly twelvefold from the same period last year. Total soybean exports to Canada are forecast to reach 1.1 million tons in 2001/02 compared to 400,000 tons in 2000/01.

U.S. Exporters Net Big Sales at European Seafood Exposition

Eleven U.S. exporters exhibiting products at the European Seafood Exposition (ESE), held during April in Brussels, Belgium, reported at-show sales of \$1.6 million during the three-day event, up 102 percent from the 2001 level of \$798,000. The companies exhibiting in the mini-pavilion of the American Seafood Institute (a participant in the Market Access Program) estimated that sales within six months after the show will reach \$30 million. High-value seafood displayed included lobster, sea scallops, crabs, clams, squid, skate and a variety of fin fish. The ESE boasted an international following that included exhibitors from 67 countries.

U.S. Horticultural Exports to Middle East Continue Steady Growth

U.S. horticultural product exports to the Middle East and North African countries in 2001 were valued at \$260 million, down 1 percent from the record level of 2000, but up 15 percent from 1997. The growth of U.S. horticultural product exports during this period has been attributed mostly to a steady increase in shipments of edible tree nuts, fresh vegetables, and miscellaneous fruit and vegetable products.